

NOTICE OF WORKSHOP ON NATURAL GAS STORAGE

At the Regulatory Commission of Alaska's (RCA) November 12, 2009 public meeting, ENSTAR Natural Gas Company (ENSTAR) presented its plans to secure natural gas storage in Alaska. ENSTAR explained the seasonal fluctuation in its demand for natural gas supplies, and the difficulties this fluctuating demand creates for natural gas suppliers. ENSTAR described some benefits of developing natural gas storage facilities and presented information regarding the operation of natural gas storage facilities.

ENSTAR stated it would like to secure natural gas storage service by winter 2011 to ensure the company is able to meet anticipated demand. As part of its efforts to secure storage service, ENSTAR is negotiating with another party that may develop natural gas storage facilities in Alaska.

ENSTAR requested an expedited schedule that included workshops in early December 2009, a possible application for a certificate authorizing storage service by January 2010, natural gas injected into storage facilities by summer of 2011, and natural gas storage service in place by winter 2011. The workshops would allow interested entities and stakeholders to discuss issues related to natural gas storage service in Alaska.

The RCA voted to identify possible dates for a workshop and directed Staff to work with potentially impacted utilities and parties to draft an agenda to guide discussions at the workshop. The workshop was again discussed at the RCA's December 2, 2009 public meeting. This notice identifies some of the major issues that could be discussed at the workshop and sets the date and time for the workshop.

Natural Gas Storage Facilities

1. What types of storage are used throughout the United States?
2. What types of storage are proposed in the Cook Inlet Basin?

Regulatory Oversight

3. How do other states regulate natural gas reservoir storage facilities?
4. Can a natural gas reservoir storage facility be regulated as a public utility under AS 42.05, or as a common carrier pipeline under AS 42.06?

Cost Recovery

5. How should costs be recovered by the owner/operator of a natural gas reservoir storage facility?
6. How should costs be recovered by public utilities and common carrier pipelines that use the services provided by a natural gas reservoir storage facility?

Application

7. What application format would be appropriate if the natural gas storage facility is regulated as a public utility under AS 42.05 or as a common carrier pipeline under AS 42.06?
8. What existing statutory and regulatory timelines would apply to applications submitted under AS 42.05 and AS 42.06?
9. What steps are necessary to allow the RCA's timelines to match the proposed project timeline?

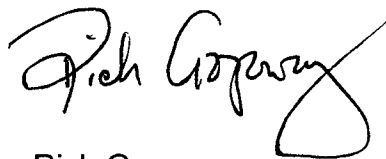
The workshop format will provide interested and affected entities the opportunity to discuss the appropriate level of regulatory oversight over natural gas reservoir

storage facilities and to discuss related commercial issues. The RCA is hosting the workshop to provide an informal open environment that is intended to encourage all interested parties to participate. The workshop will not be recorded or transcribed. The workshop will allow participants to work towards consensus on issues related to natural gas storage facilities on Alaska. The workshop will not result in any decision by the RCA regarding the regulation of natural gas storage facilities.

The workshop will be held December 8, 2009 at 9:00 a.m. in the RCA's East Hearing Room, located at 701 West 8th Avenue, Suite 300, Anchorage, Alaska. Telephonic participation is available for those that cannot attend in person. Persons interested in appearing telephonically should contact Jim Ernstsens at <mailto:millard.ernstsens@alaska.gov> or Morgan Robinson at <mailto:morgan.robinson@alaska.gov> to make necessary arrangements. The duration of the workshop will depend upon the level of participation.

DATED at Anchorage, Alaska this 2nd day of December 2009.

REGULATORY COMMISSION OF ALASKA

A handwritten signature in black ink, appearing to read "Rich Gazaway", with a large, stylized loop at the end.

Rich Gazaway
Advisory Section Manager

Individuals or groups of people with disabilities, who require special accommodations, auxiliary aids or service, or alternative communication formats, please contact Joyce McGowan at (907) 276-6222, toll-free at 1-800-390-2782, or TTY (907) 276-4533 or send a request via electronic mail to rca.mail@alaska.gov by December 7, 2009.